

(Draft - Awaiting Formal Approval)
**MINUTES OF THE
BUSINESS AND LABOR INTERIM COMMITTEE**
Wednesday, June 23, 2010 – 2:00 p.m. – Room 210 Senate Building

Members Present:

Sen. John L. Valentine, Senate Chair
Rep. James A. Dunnigan, House Chair
Sen. Gene Davis
Sen. Daniel R. Liljenquist
Sen. Karen Mayne
Sen. Wayne L. Niederhauser
Rep. Jackie Biskupski
Rep. Jack R. Draxler
Rep. Susan Duckworth
Rep. Francis D. Gibson
Rep. Stephen G. Handy
Rep. Neil A. Hansen
Rep. Todd E. Kiser
Rep. David Litvack

Rep. Steven R. Mascaro
Rep. Michael T. Morley
Rep. C. Brent Wallis

Members Absent:

Rep. Gage Froerer
Rep. Brian S. King
Rep. Patrick Painter

Staff Present:

Mr. Bryant R. Howe, Assistant Director
Ms. Patricia Owen, Associate General Counsel
Ms. Amanda K. Majers, Legislative Secretary

Note: A list of others present, a copy of related materials, and an audio recording of the meeting can be found at www.le.utah.gov.

1. Committee Business

Chair Dunnigan called the meeting to order at 2:15 p.m., and informed the Committee that Rep. Brian King was newly appointed as a member of the Committee.

MOTION: Sen. Valentine moved to approve the minutes of the November 18, 2009 and May 19, 2010 meetings. The motion passed unanimously, with Sen. Davis, Sen. Niederhauser, and Rep. Biskupski absent for the vote.

Mr. Howe referred to an audit conducted by the Office of the Legislative Auditor General, "A Limited Review of the Effects of DABC Budget Cuts on State Revenue: Report Number ILR 2010-B, May 2010," which was distributed to the Committee prior to the meeting. Mr. Howe also distributed a report "Patient Protection and Affordable Care Act (PPACA) Provisions Affecting Sections in the Utah Insurance Code," which was provided by Mr. Neal Gooch, Commissioner, Utah Insurance Department.

2. Sunset Review - Catastrophic Coverage of Mental Health Conditions

Mr. Howe discussed 2011 General Session draft legislation, "Catastrophic Mental Health Coverage - Sunset Act" (2011FL-0079/03), which was distributed prior to the meeting.

MOTION: Sen. Valentine moved to adopt 2011 General Session draft legislation, "Catastrophic Mental Health Coverage - Sunset Act" (2011FL-0079/03), as a committee bill. The motion passed unanimously, with Sen. Davis, Sen. Niederhauser, Rep. Biskupski, and Rep. Duckworth absent for the vote.

3. Health Insurance Mandate Review by the Business and Labor Interim Committee

Mr. Howe discussed "Overview: Legislative Interim Committee Review of Health Insurance Mandates," which was distributed to the Committee prior to the meeting. Mr. Howe also referred to a letter and related documents from the Utah Insurance Department concerning the annual review of insurance mandates, which were distributed to the Committee prior to the meeting.

Mr. Gooch informed the Committee that the ability of the Utah Insurance Department to assist in reviews of insurance mandates is constrained this year due to the demands stemming from state and federal health care reform efforts.

4. Construction Trades Licensing Related Issues

Ms. Owen gave an overview of construction trades licensing related issues assigned to the Committee.

Rep. Larry B. Wiley spoke concerning the need for mechanical technician licensure.

Mr. Dean Dyatt, Rocky Mountain Gas Association, spoke in favor of requiring licensure for mechanical technicians working on residential systems.

Mr. Brent Ursenbach, Salt Lake County ICC, spoke concerning heating and air conditioning service technician licensure requirements.

Mr. Lawrence Suggars, South Salt Lake City ICC, spoke in favor of educating mechanical technicians through community college programs.

Mr. Jeff Elder, General Sales Manager, Interstate Brick Company, spoke to the need for a specialty structural masonry license.

Committee questions and discussion followed.

Mr. Mark Steinegal, Director, Utah Division of Occupational and Professional Licensing, provided background on construction trades licensing and highlighted current issues regarding continuing education, financial responsibility, and specialty contractor classification.

Mr. Alex Steckel, General Contractor, spoke concerning the adequacy of continuing education classes for construction trades.

5. Classification of Workers

Ms. Owen distributed and discussed "Classification of Workers: Business and Labor Interim Committee, June 23, 2010 Meeting" and presented an overview of worker classification issues assigned to the Committee.

Ms. Francine Giani, Executive Director, Utah Department of Commerce, discussed policy issues related to the worker/owner model, such as whether to maintain the current statutory framework or to limit the number of worker/owners allowed to work under one contractor license.

Sen. Mayne introduced the issue, and she encouraged the Committee to study the worker/owner model of worker classification and to work with her to resolve the issue.

Mr. Weston Lunsford, CSG Workforce Partners (CSG), spoke concerning classification of workers and the business model used by CSG.

Mr. Dean Kessler, U & I, spoke concerning classification of workers and the business model used by U & I.

Mr. Richard Thorn, President, Associated General Contractors, spoke concerning the worker/owner model of worker classification and encouraged the Committee to further study the issue.

Mr. Garrick Hunsaker, Hunsaker Exteriors Inc., spoke concerning the need for further study of the classification of workers.

Mr. Dennis Chavez, Chavez, LLC., spoke concerning classification of workers and the difficulty of competing against a business that implements the worker/owner model.

Mr. Dennis Lloyd, Workers' Compensation Fund, distributed and discussed "The Cost of Worker Misclassification in New York State."

Mr. Alan Hennebold, Deputy Commissioner and General Counsel, Labor Commission, spoke concerning worker/owner classification of workers and provided examples of workers being unaware of the employment protections they give up once they are classified as owners.

Mr. Bill Starks, Unemployment Insurance Director, Workforce Services, answered questions from the Committee.

Mr. Darrel Bostwick, Bostwick & Price, P.C., spoke concerning worker classification and encouraged further study.

Committee questions and discussion followed.

Chair Dunnigan stated that a working group will be established to study the issue of worker classification headed by Sen. Mayne.

6. Other Items / Adjourn

Chair Dunnigan adjourned the meeting at 4:50 p.m.